

1 A. No, I don't.

2 MR. WEBER: I'd like to have this  
3 marked as Hillman Exhibit 4, it is a two-page  
4 letter dated November 6, 1989, with a Bates stamp  
5 147916 through 147917.

6 (Hillman Exhibit No. 4 was  
7 marked for identification.)

8 BY MR. WEBER:

9 Q. Have you ever seen this letter before?

10 A. Yes.

11 Q. Did you send it to Mr. Lokting?

12 A. Yes, I did.

13 Q. There's a Mark Panetta that is copied  
14 on this. Who is Mr. Panetta?

15 A. He was controller of the Atlantic City  
16 system at that time, he's now vice-president of  
17 finance for the Philadelphia region Metrophone.

18 Q. And, as controller for Atlantic City,  
19 what would his duties have been?

20 A. Oversight of the day-to-day accounting  
21 and involvement in any proposed expenditures for  
22 the business.

23 Q. Would he have reported to you at that  
24 time?

25 A. Indirectly. He reported to a general

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1 manager that was in Atlantic City at the time.

2 Q. And who was that?

3 A. Dennis Curley.

4 Q. On the second page of the letter, you  
5 mention working out a process to expedite the  
6 process of reimbursing Comcast. What was done or  
7 was any action taken?

8 A. I really don't recall that that was the  
9 issue as much as getting an approved system in  
10 place that we could approve things on his behalf  
11 up to a certain limit, I think that's what I was  
12 looking for in this.

13 Q. And is there now such a system in place  
14 to get his approval or the matters worked out  
15 here, is there such a system in place?

16 A. Yes, there is.

17 Q. And can you describe what that is?

18 A. Yes. There's a policy that says that  
19 any expenditures under \$5,000 the check signer  
20 does not need to include Ellis Thompson. Prior  
21 to that time, we were either sending checks out  
22 for him to sign or, if it was an emergency, we  
23 would write a check and as I mention here request  
24 reimbursement which would take extra time. It  
25 was just quicker if we signed it ourselves. So,

1 if it was under \$5,000, he didn't have to sign it  
2 as long as it was within budget and it had been  
3 approved.

4 He was to sign anything over \$5,000  
5 except for certain recurring items that happened  
6 month after month after month, like commissions  
7 to the agents, roamer payments to the other  
8 carriers, that sort of thing, it was within the  
9 contract, it was routine. For those items the  
10 limit was \$25,000 and anything over 25,000, on  
11 each of those, he did have to sign. And recently  
12 we upped the limit on commissions to agents to  
13 100,000 because of the significant increase in  
14 volume of business that's happened recently.

15 MR. GURMAN: When you say we upped it?

16 THE WITNESS: He did, I mean it was  
17 with his approval. We requested it because it  
18 made business sense because we were just sending  
19 more and more checks. And actually there was  
20 discussion on that, we had asked for more items,  
21 we had asked for all recurring items to be raised  
22 100,000, and he only approved commissions.

23 BY MR. WEBER:

24 Q. The other recurring items are still at  
25 25,000?

1 A. That's correct.

2 Q. You mentioned the roaming rates, the  
3 payment under the roaming agreements. What are  
4 the other recurring --

5 A. The only other items that might fall  
6 into that category would be like an interconnect  
7 telephone bill.

8 Q. What about lease payments?

9 A. They would generally be less than  
10 5,000, although the office building -- the sales  
11 office might be within that category.

12 MR. GURMAN: Could you repeat that  
13 question about roamer agreements.

14 MR. WEBER: The payments under the  
15 roaming agreements were one of the recurring  
16 rates or recurring amounts. What is it you  
17 want? Do we need to go off the record?

18 MR. GURMAN: Off the record.

19 (Discussion off the record.)

20 MR. WEBER: We can go back on the  
21 record.

22 THE WITNESS: By just looking at this,  
23 one of the other items is inventory purchases,  
24 that is a normal recurring payment.

25 BY MR. WEBER:

1 Q. And what are inventory purchases?

2 A. We purchase phones that are then in  
3 turn sold to customers. And they're purchased in  
4 bulk so the bills can fall into that category.

5 Q. Who currently has signing authority for  
6 checks.

7 A. The names of people?

8 Q. Yes.

9 A. Ellis Thompson, myself, Anna Hillman,  
10 John Moerman, the general manager in Wilmington,  
11 and it would be the controller, but right now  
12 there's a new controller, I don't know if he's a  
13 signer yet.

14 Q. And who is that?

15 A. He's been there a week, I can't even  
16 remember his name. It was Ron Andes prior to  
17 that.

18 Q. Does Mr. Moir have signing authority?

19 A. Yes, he does.

20 Q. Mr. Ruth?

21 A. He's no longer with the division.

22 Q. Did he when he was previously in the  
23 division?

24 A. Yes, he was the controller at one  
25 time. He is now in the cable division. Actually

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1 Charles, I'm not sure, he's no longer the general  
2 manager, he's a level above John Moerman, he may  
3 have been removed.

4 MR. WEBER: I would like to have this  
5 marked as Hillman Exhibit 5.

6 (Hillman Exhibit No. 5 was  
7 marked for identification.)

8 BY MR. WEBER:

9 Q. I don't want you to pay attention to  
10 the handwriting on it, I'm just more interested  
11 in the form itself. Can you tell us what this  
12 form is?

13 A. It's a check request form.

14 Q. And describe the process that this form  
15 must go through?

16 A. It's used as the document that gets the  
17 approvals for the item that the expenditure is  
18 for and is also then used as a basis for keying  
19 it into the accounting system so that a check  
20 will be produced.

21 Q. What office does this form originate  
22 from, what office prepares this form?

23 A. This was prepared by the Wilmington  
24 office, the accounting department.

25 Q. And do they prepare one of these when a

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1 check arrives in their office, when a bill  
2 arrives in their office?

3 A. They would prepare one when a bill  
4 arrives or they would prepare one when services  
5 were rendered and a check was due. In this case  
6 switching fee services were rendered.

7 Q. In the middle on the right-hand side,  
8 there's a space that says Budget Confirmation.  
9 What does that mean?

10 A. It just means that the rates are in  
11 accordance with the budget, that it was budgeted.

12 Q. Then who has authority to sign under  
13 that line?

14 A. If it's within the budget, the local  
15 office general manager and controller.

16 Q. There are initials of two different  
17 people there, can you tell us whose initials  
18 those are?

19 A. There's three. There's Lori Shapiro  
20 who is the accounting manager, that's the LMS.  
21 To the right of that is John Moerman, he was the  
22 controller at that time. And then underneath,  
23 that little squiggle under the LMS, is Charles  
24 Moir, he was the general manager at the time.  
25 And these would be the three signatures required.

1 Q. Actually the one underneath is under  
2 the line approved by. Is that different than  
3 budget confirmation?

4 A. No.

5 Q. So it doesn't first get budget  
6 confirmation and then final approval by somebody  
7 else?

8 A. It would be, I mean the accounting  
9 manager would review for budget confirmation.

10 Q. But Mr. Moir's squiggle wouldn't  
11 necessarily be the final one?

12 A. It could have been anyone, it just had  
13 to be there.

14 Q. Does it always have to have three?

15 A. No, it depends on the dollar amount  
16 involved.

17 Q. Are you also one of the people who can  
18 sign under budget confirmation or approved by?

19 A. I can.

20 Q. Is there a limit to how much you are  
21 allowed to approve?

22 A. If it's within the budget, generally  
23 not.

24 Q. Who has authority to actually incur  
25 expenses within the budget on behalf of the



1 Atlantic City system?

2 A. The local general manager and  
3 controller.

4 Q. And what must be done before an expense  
5 is incurred?

6 A. They must review and ensure that it's  
7 within budget.

8 Q. What is at 10 Corporate Circle, New  
9 Castle, Delaware?

10 A. That's the Wilmington office, but I'm  
11 not sure if it's the old office or the new  
12 office, they moved a couple months ago.

13 Q. At the Wilmington office, there would  
14 have been somebody who had authority to incur  
15 expenses on behalf of the Atlantic City system?

16 A. If they were within budget.

17 Q. What is at Piscataway Technical Center,  
18 151 West Ethel Road in Piscataway, New Jersey?

19 A. That's a switching center.

20 Q. Would there have been anybody there who  
21 would have had authority to incur expenses on  
22 behalf of the Atlantic City system if it's within  
23 budget?

24 A. Within budget, possibly someone within  
25 the engineering group.

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1 Q. Who is at 18 Bowden Circle in New  
2 Castle, Delaware?

3 A. That's also a former -- that's another  
4 Wilmington office. I think that's the old  
5 office.

6 Q. And what is at 2644 Kirkwood Highway,  
7 Newark, Delaware?

8 A. I think that's a switching office. I'm  
9 not sure.

10 Q. And would that have been the same with  
11 the one in New Jersey, there may have been  
12 somebody there who would have had authority, an  
13 engineer?

14 A. It would have been somebody in  
15 engineering.

16 Q. What is at 1234 Market Street in  
17 Philadelphia?

18 A. That is the old Comcast offices in  
19 between 1414 Market and where they are now.

20 Q. And, both with the 1234 Market and with  
21 the 1414, there would have been people there who  
22 could have incurred expenses within budget?

23 A. I was there.

24 MR. WEBER: I'd like to have this  
25 marked as Hillman Exhibit 6. It's a compilation

1 of three different site leases.

2 (Hillman Exhibit No. 6 was  
3 marked for identification.)

4 BY MR. WEBER:

5 Q. Do you recognize the basic form of  
6 these leases?

7 A. Yes, I do.

8 Q. And can you tell us what they are?

9 A. Just a cell site lease.

10 Q. Does Comcast have standard lease forms  
11 it uses to lease land for cell sites?

12 A. To the best of my knowledge, we do.

13 Q. Whose responsibility is it to find cell  
14 sites?

15 A. The engineering group.

16 Q. Anybody specifically?

17 A. I think the names have changed, I don't  
18 know who.

19 Q. Whose responsibility is it to negotiate  
20 with the landlord for cell sites?

21 A. I believe that preliminary negotiations  
22 are done by our engineering group.

23 Q. And again no one person in particular?

24 A. Not that I'm aware of. There may be,  
25 but I'm not sure.

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1 Q. Would Mr. Dombroski or Mr. Villecco  
2 ever have taken that responsibility?

3 A. They might have, but more than likely  
4 it was someone reporting in to them that did it.

5 Q. Did you ever play any role in  
6 negotiation of any of the leases?

7 A. No, I did not.

8 Q. Do you know if Mr. Thompson ever played  
9 any role?

10 A. I'm not aware, I don't know.

11 Q. Are all the cell sites designed  
12 in-house?

13 A. As opposed to?

14 Q. As opposed to having outside  
15 engineering firms.

16 A. I'm not sure.

17 Q. Is there anyone who tracks the terms of  
18 the various leases and keeps track of when they  
19 are to expire?

20 A. The accounting department does and I  
21 believe that the engineering department also  
22 does.

23 Q. And again there's no one particular  
24 person who is in charge of doing that?

25 A. No.

1 Q. Does Ellis Thompson Corporation own any  
2 of the sites on which they have antennas?

3 A. Not that I'm aware of. I believe they  
4 lease them all.

5 Q. Does Comcast own any of the sites on  
6 which the Atlantic City system uses for a cell  
7 site?

8 A. No.

9 MR. WEBER: I'd like to have this  
10 marked as Hillman Exhibit 7, it's a one-page  
11 letter dated June 23, 1993, with attachments.

12 (Hillman Exhibit No. 7 was  
13 marked for identification.)

14 BY MR. WEBER:

15 Q. Do you recognize this document?

16 A. Yes, I do.

17 Q. And can you tell us what it is?

18 A. It's a request from Dave Watson,  
19 Comcast vice-president of sales and marketing, to  
20 Ellis Thompson, care of David Lokting, for  
21 approval on a proposed rate plan change in  
22 Atlantic City.

23 Q. Did you play any role in the  
24 discussions regarding the recommendation for a  
25 rate change?

1 A. Yes, I did.

2 Q. And can you discuss your role?

3 A. I would have been involved in the  
4 review of the analysis that showed how the rates  
5 compare to existing rates and to the competitive  
6 rates and does it really make business sense.

7 Q. Did you ever discuss these proposed  
8 rates with Mr. Lokting?

9 A. I believe that we did.

10 Q. Can you recall what was said?

11 A. Just a general repeat of our own  
12 internal conversations on why and what made  
13 sense.

14 Q. Why was the Wilmington management team  
15 recommending pricing changes for the Atlantic  
16 City system?

17 A. They weren't. They recommended it to  
18 us at corporate who in turn recommended it.  
19 That's the normal process.

20 Q. Was Wilmington recommending that they  
21 be allowed to adopt these rates or were they  
22 recommending them to corporate for Atlantic City  
23 to adopt these rates?

24 A. They're recommending them to corporate,  
25 knowing that we in turn had to discuss them with

1 Ellis Thompson for approval.

2 Q. At that point had they already adopted  
3 these new rates?

4 A. Not that I'm aware of.

5 Q. At the bottom of the first page,  
6 there's the name Ellis Thompson Corporation with  
7 a line. Is that a place for Mr. Thompson to sign  
8 if he approves?

9 A. I have no idea.

10 Q. Do you know if Mr. Thompson ever did  
11 approve of these rates?

12 A. I believe that he did.

13 Q. Did all of the Comcast systems in that  
14 same general geographical area adopt these same  
15 rates?

16 A. I believe that this rate was -- this  
17 was specific to Atlantic City. They proposed  
18 different rates for the Wilmington-Dover markets,  
19 but this was for Atlantic City only. The rates  
20 aren't the same, Atlantic City versus  
21 Wilmington.

22 Q. Are there currently any resellers in  
23 the Atlantic City market?

24 A. I'm not sure.

25 Q. Have there been resellers to your

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1 knowledge in the Atlantic City market?

2 A. There was one, U.S. Cellular.

3 Q. Are they currently reselling in the  
4 market?

5 A. No, they're not.

6 Q. Why are they no longer selling?

7 A. They sold all their customers to Ellis  
8 Thompson.

9 Q. And how did that come about?

10 A. On several occasions the -- one of the  
11 people from TDS, I'm not sure who it was, I can't  
12 remember his name, I think it might have been Don  
13 Nelson, I'm not sure, approached various people  
14 from time to time to talk about possibly selling  
15 the customers in Atlantic City. And, every time  
16 it happened, we referred him to Ellis Thompson  
17 for discussion. And eventually those discussions  
18 turned into transfer of customers.

19 Q. Did Mr. Nelson ever approach you?

20 A. Never me directly, but I was at a  
21 breakfast once with he and I believe it was Larry  
22 Smith from corporate where he brought it up.

23 Q. Did you play any role in the  
24 negotiation of Ellis Thompson Corporation  
25 purchasing USCC's subscribers?



1 A. Yes, I did.

2 Q. What role did you play?

3 A. I was involved with the U.S. Cellular  
4 proposed pricing, what price they would sell the  
5 customers for.

6 Q. What role did Mr. Thompson play?

7 A. He was pretty much equally involved.  
8 We gathered information from U.S. Cellular and  
9 then discussed it with Ellis Thompson and David  
10 and agreed on a proposal.

11 Q. Earlier we were discussing the various  
12 approvals to go through to incur expenses, and it  
13 was always if it was within budget. What happens  
14 if the budget is exceeded?

15 A. Then it requires my approval if it's  
16 less than \$5,000, and anything over \$5,000  
17 requires Ellis Thompson's approval.

18 Q. Are there expenses incurred which go to  
19 more than one system that are not unique to the  
20 Atlantic City system?

21 A. Yes.

22 Q. How are those expenses recouped by  
23 Comcast?

24 A. They're allocated in accordance with I  
25 think the third amendment to the management

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1 agreement.

2 Q. Which sets up percentages for how much  
3 each system will have to pay?

4 A. Right, how they'll be allocated.

5 Q. And do you know how it was determined  
6 what percentages of the allocation were  
7 determined?

8 A. They're different for each area. And  
9 what was done was an allocation method that  
10 closely approximated direct expense; for example,  
11 customer service. Since there's one customer  
12 service group, it was allocated based upon the  
13 number of customers.

14 Q. Has that changed over time, the  
15 allocation amounts?

16 A. The percentages, yes. The methodology,  
17 no.

18 Q. When U.S. Cellular was reselling in the  
19 Atlantic City market, how were the reseller rates  
20 determined?

21 A. They were determined by discussions  
22 between Comcast and Ellis Thompson, pretty much  
23 following what was established and standard in  
24 the industry.

25 Q. Do you know if the Atlantic City system

1 charged the same reseller rates that the other  
2 Comcast systems in that area charged?

3 A. I can't answer that, I don't know.

4 MR. WEBER: I would like to have this  
5 marked as Hillman Exhibit 8. It is a one-page  
6 memo dated February 22, 1989, with a Bates stamp  
7 148119.

8 (Hillman Exhibit No. 8 was  
9 marked for identification.)

10 BY MR. WEBER:

11 Q. Do you recognize this memo?

12 A. Yes.

13 Q. And it's from Abram Patlove, can you  
14 tell us who he is?

15 A. Yes, he is -- he works for Comcast  
16 corporate and he was temporarily working in the  
17 cellular division after Jim Shields left,  
18 president of the cellular division.

19 Q. What was his position?

20 A. He was temporary -- just sitting in  
21 temporarily until they hired a new president.

22 Q. Who is Daniel Aaron?

23 A. He is one of the -- he's one of the  
24 three original founders of Comcast Corporation  
25 and was still with the company at that time. He

1 was overseeing the construction of the Atlantic  
2 City system and the purchase of the cellular  
3 division.

4 Q. Now, in the final paragraph, there's a  
5 statement that Mr. Villecco expects that  
6 construction will exceed the budget by 5 percent  
7 but no greater than 10 percent. For each expense  
8 incurred after the budget was exceeded, would it  
9 then have to be approved by you?

10 A. I don't remember the specifics on this  
11 from so far back. I believe that the overruns  
12 had to have been absorbed by Comcast.

13 Q. If there were overruns, Comcast would  
14 absorb the costs?

15 A. On the original construction.

16 Q. Have the budgets been exceeded in years  
17 past?

18 A. The capital budgets, no. The  
19 individual operating budgets, certain line items  
20 may have varied because of volume. For example,  
21 we would have added a significant more number of  
22 new customers than we had budgeted. And, since  
23 it's a variable expense, there would be a budget  
24 overrun.

25 Q. Engineering has not been -- has

1 engineering exceeded budget?

2 A. It's also variable. So, to the extent  
3 that system minutes are significantly over plan,  
4 the operations area since it's variable would  
5 also be over plan.

6 Q. Has there been a time where you've had  
7 to go to Mr. Thompson for a revised budget for  
8 his approval?

9 A. No.

10 MR. WEBER: I'd like to have this  
11 marked as Hillman Exhibit 9. It's a one-page  
12 letter dated August 10, 1989, with a Bates stamp  
13 AM 147920.

14 (Hillman Exhibit No. 9 was  
15 marked for identification.)

16 BY MR. WEBER:

17 Q. Have you ever seen this letter before?

18 A. Yes, I have.

19 Q. And can you tell us the purpose of this  
20 letter?

21 A. This was just to confirm an agreement  
22 to rent radio channels to the Atlantic City  
23 system to help cover the summer traffic, the  
24 increase in traffic.

25 Q. And these are radio channels owned by

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1 Comcast?

2 A. Yes, they are.

3 Q. At this time did Comcast rent out radio  
4 channels to any other cellular carriers?

5 A. No one was in the same position.

6 Q. Is that your handwriting at the top of  
7 the page?

8 A. Yes, it is.

9 Q. And you're making a note to Mr. Ruth  
10 and Mr. Panetta?

11 A. Uh-huh.

12 Q. And what are you telling them?

13 A. Just to make sure that this gets billed  
14 on a timely basis.

15 MR. WEBER: I'd like to have this  
16 marked as Hillman Exhibit 10. It is a one-page  
17 memo dated October 2, 1991, with the Bates stamp  
18 AM 143908.

19 (Hillman Exhibit No. 10 was  
20 marked for identification.)

21 BY MR. WEBER:

22 Q. Do you recognize this memo?

23 A. Yes, I do.

24 Q. Is this your handwriting at the bottom?

25 A. Yes, it is.

1 Q. Who is Brian Gibbons?

2 A. He was the new vice-president of sales  
3 and marketing.

4 Q. He is no longer with Comcast?

5 A. He is in the international division now  
6 with Comcast.

7 Q. And your reference to Jeff and David,  
8 is that Mr. Thompson and Mr. Lokting?

9 A. Yes, it is.

10 Q. And why are you telling Mr. Gibbons  
11 that this should be preapproved by Mr. Thompson  
12 and Mr. Lokting?

13 A. Because Brian was new with the company  
14 at the time and neglected to seek proper approval  
15 on this change.

16 Q. And was there any follow-up to your  
17 handwritten note?

18 A. Yeah, I would have made sure that it  
19 was handled properly. And I believe that it was  
20 handled properly.

21 Q. Do you recall speaking to Mr. Brian  
22 Gibbons directly about this?

23 A. Yes, I do.

24 Q. And can you recall what he said?

25 A. He apologized.

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1 Q. Does the Atlantic City system have a  
2 loan from a bank?

3 A. Yes, it does.

4 Q. From what bank?

5 A. Provident National Bank.

6 Q. Is the loan to Ellis Thompson  
7 Corporation or to Comcast?

8 A. It's to Ellis Thompson Corporation.

9 Q. Who obtained the loan?

10 A. Ellis Thompson Corporation.

11 Q. Is it a secured loan?

12 A. I believe that it's secured by the  
13 assets of the business.

14 Q. Do you have any contact with the bank?

15 A. No, I don't.

16 Q. Is there a contact person for the loan?

17 A. I believe that there is.

18 Q. And who would that be?

19 A. I don't know.

20 MR. GURMAN: Do you mean contact person  
21 with Provident?

22 THE WITNESS: Oh, within Comcast?

23 BY MR. WEBER:

24 Q. Right. I'm sorry.

25 A. Oh. They would call Chris Van Horne in



1 the treasury department. I thought you meant  
2 contact within the bank.

3 Q. I'm sorry, I didn't make myself clear.  
4 Is Ms. Van Horne the person at Comcast who would  
5 work most regularly with the loan in the Atlantic  
6 City market?

7 A. Yes.

8 MR. WEBER: I'd like to have this  
9 marked as Hillman Exhibit 11. It's a one-page  
10 letter dated February 28, 1992, with a two-page  
11 attachment.

12 (Hillman Exhibit No. 11 was  
13 marked for identification.)

14 BY MR. WEBER:

15 Q. Do you recognize this letter or the  
16 attachment?

17 A. Yes, I do.

18 Q. To your knowledge was it sent to  
19 Mr. Lokting?

20 A. Yes, it was.

21 Q. Why was a one-year extension of the  
22 revolving credit loan necessary?

23 A. It's necessary every year, because the  
24 loan term was only -- it's a two-year loan. The  
25 bank didn't extend longer terms than that. And,